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NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
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FEB 27 2008

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

DOCKETED BY

In the matter of:

DOCKET NO. S-20582A-08-0111

ASSET SALVATION GROUP, L.L.C., an
Arizona limited liability company;

**TEMPORARY ORDER TO CEASE AND
DESIST AND NOTICE OF
OPPORTUNITY FOR HEARING**

JACK ROBERT ERICKSON, SR.,
individually and as trustee of JRE HOLDINGS
TRUST, and JANE DOE ERICKSON,
husband and wife;

JRE HOLDINGS TRUST, an Arizona
trust/unincorporated entity; and,

DUST TO DREAM DEVELOPMENT
GROUP, L.L.C., an Arizona limited liability
company,

Respondents.

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents ASSET SALVATION GROUP, L.L.C.; JACK ROBERT ERICKSON, SR.; JANE DOE ERICKSON; JRE HOLDINGS TRUST; and, DUST TO DREAM DEVELOPMENT GROUP, L.L.C. are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act") and that the public welfare requires immediate action.

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENTS

2. ASSET SALVATION GROUP, L.L.C. ("ASG") is an Arizona limited liability company with a last known principal place of business in Maricopa County, Arizona.

3. JACK ROBERT ERICKSON, SR. ("ERICKSON") is an individual last known to reside in Maricopa County, Arizona. ERICKSON is the sole manager and a member of ASG and he is the trustee of JRE HOLDINGS TRUST.

4. JRE HOLDINGS TRUST ("JRE") is an Arizona trust/unincorporated entity with a last known principal place of business in Maricopa County, Arizona.

5. DUST TO DREAM DEVELOPMENT GROUP, L.L.C. ("DTD") is an Arizona limited liability company with a last known principal place of business in Maricopa County, Arizona. ERICKSON is the sole manager and a member of DTD, along with JRE.

6. JANE DOE ERICKSON has been at all relevant times the spouse of Respondent ERICKSON and may be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S. §44-2031(C) solely for purposes of determining the liability of the marital community.

7. At all relevant times, Respondent ERICKSON has been acting for his own benefit and for the benefit or in furtherance of the marital community.

8. Respondents ASG, ERICKSON, JRE, and DTD may be referred to collectively as "Respondents."

III.

FACTS

9. From at least December 2005 to the present, Respondents have been publicly offering and selling unregistered limited liability company membership interests in ASG, in part via the Internet website www.thevaluecompanies.com that attracts potential investors with the statement, “You CAN use your IRA account to Invest in Real Estate” (emphasis in original).

10. Requiring a minimum investment of \$10,000.00, Respondents represent that investors' money will be placed into certificates of deposit (CD's) to secure lines of credit to purchase real estate/options on real estate and that investors will earn returns on their investments as follows: "Worst case projection...27%. Best case projection...102%. An annual return of 300% will be achieved on option positions..." Respondents also represent that investors shall have "no interest in the property owned by [ASG]," that they "shall take no part whatever in the control, management, direction, or operation of [ASG]," and that they "have the option to opt out" and receive a refund of their investments by giving written notice.

11. Respondents sold at least one, \$10,000.00 limited liability company membership interest in ASG to an Arizona investor whose money was not placed into a CD to secure a line of credit to purchase real estate. Not only did this investor NOT receive any return on the investment, Respondents failed to return the investor's principal as requested in writing. This investor's money was deposited by ASG, transferred to JRE, and used by ERICKSON for personal expenses.

12. Respondents made no representations regarding the risks of investment by and through IRA accounts or the risks associated with the fact that investors have neither an interest in the property owned by ASG nor any part whatever in the control, management, direction, or operation of ASG.

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer and Sale of Unregistered Securities)

13. Since at least December 2005, Respondents have been offering or selling securities in the form of limited liability company membership interests and/or investment contracts, within or from Arizona.

14. The securities referred to above are not registered pursuant to Articles 6 or 7 of the Securities Act.

15. This conduct violates A.R.S. § 44-1841.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

16. Respondents are offering or selling securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

17. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

18. In connection with the offer or sale of securities within or from Arizona, Respondents are, directly or indirectly: (i) employing a device, scheme, or artifice to defraud; (ii) making untrue statements of material fact or omitting to state material facts that are necessary in order to make the statements made not misleading in light of the circumstances under which they are made; or (iii) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, the following:

1 a) Failing to disclose to offerees and investors that investor money would be
2 used for ERICKSON'S personal expenses;

3 b) Misrepresenting to offerees and investors that their money would be
4 deposited into CD's to secure lines of credit to purchase real estate/options on real estate;

5 c) Misrepresenting to offerees and investors that they would earn substantial
6 returns on their investments;

7 d) Misrepresenting to offerees and investors that they could opt out and receive
8 a refund of their investments by giving written notice;

9 e) Failing to disclose to offerees and investors any risks associated with their
10 investments.

11 19. This conduct violates A.R.S. § 44-1991.

12 **VII.**

13 **TEMPORARY ORDER**

14 **Cease and Desist from Violating the Securities Act**

15 THEREFORE, based on the above allegations, and because the Commission has determined
16 that the public welfare requires immediate action,

17 IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that
18 Respondents, their agents, servants, employees, successors, assigns, and those persons in active
19 concert or participation with Respondents CEASE AND DESIST from any violations of the
20 Securities Act.

21 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
22 effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

23 IT IS FURTHER ORDERED that this Order shall be effective immediately.

24 **VIII.**

25 **REQUESTED RELIEF**

26 The Division requests that the Commission grant the following relief:

IX.

Each Respondent, including Respondent Spouse, may request a hearing pursuant to A.R.S. §44-1972 and A.A.C. Rule 14-4-307. **If a Respondent or Respondent Spouse requests a hearing, the requesting Respondent or Respondent Spouse must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requestor must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, AZ 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.azcc.gov/divisions/hearings/docket.asp.

1 with written findings of fact and conclusions of law. A permanent Order may include ordering
2 restitution, assessing administrative penalties, or other action.

3 If a request for hearing is not timely made, the Division will request that the Commission
4 make permanent this Temporary Order, with written findings of fact and conclusions of law, which
5 may include ordering restitution, assessing administrative penalties, or other relief.

6 Persons with a disability may request a reasonable accommodation such as a sign language
7 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,
8 ADA Coordinator, voice phone number 602/542-3931, e-mail lhogan@azcc.gov. Requests should
9 be made as early as possible to allow time to arrange the accommodation.

10 **X.**

11 **ANSWER REQUIREMENT**

12 Pursuant to A.A.C. R14-4-305, if a Respondent or Respondent Spouse requests a hearing,
13 the requesting Respondent or Respondent Spouse must deliver or mail an Answer to this
14 Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W.
15 Washington, Phoenix, AZ 85007, within 30 calendar days after the date of service of this
16 Temporary Order and Notice. Filing instructions may be obtained from Docket Control by calling
17 (602) 542-3477 or on the Commission's Internet web site at
18 www.azcc.gov/divisions/hearings/docket.asp.

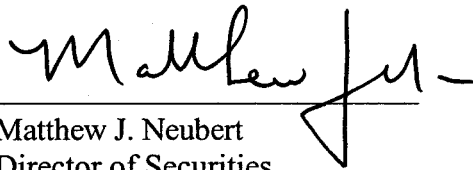
19 Additionally, the answering Respondent or Respondent Spouse must serve the Answer
20 upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by
21 mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd
22 Floor, Phoenix, Arizona, 85007, addressed to Aaron S. Ludwig, Esq.

23 The Answer shall contain an admission or denial of each allegation in this Temporary
24 Order and Notice and the original signature of the answering Respondent or the Respondent's
25 attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial
26 of an allegation. An allegation not denied shall be considered admitted.

1 When the answering Respondent intends in good faith to deny only a part or a qualification
2 of an allegation, the Respondent shall specify that part or qualification of the allegation and shall
3 admit the remainder. Respondent waives any affirmative defense not raised in the answer.

4 The officer presiding over the hearing may grant relief from the requirement to file an
5 Answer for good cause shown.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 27th day of
7 February, 2008.

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9 Matthew J. Neubert
Director of Securities

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